



DAVID E. JANSSEN
Chief Administrative Officer

County of Los Angeles **CHIEF ADMINISTRATIVE OFFICE**

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May 27, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AN AMENDED AND RESTATED JOINT EXERCISE OF POWERS
AGREEMENT BETWEEN THE COUNTY AND THE CITY OF LOS ANGELES AND THE
JOINT CRIME LABORATORY FACILITY SUBLEASE AGREEMENT BETWEEN THE
JOINT POWERS AUTHORITY AND THE COUNTY**

(ALL DISTRICTS) (3 VOTES)

JOINT RECOMMENDATION WITH THE SHERIFF THAT YOUR BOARD:

1. Approve and instruct the Chair to execute the First Amended Joint Exercise of Powers Agreement, included as Enclosure A, between the County of Los Angeles, on behalf of the County Sheriff's Department (Sheriff) and the City of Los Angeles, on behalf of the Los Angeles Police Department (LAPD), for the purpose of planning and operating a joint regional crime laboratory facility in the City of Los Angeles, to be used by the Sheriff and LAPD.
2. Certify that the Board, as a responsible agency under the California Environmental Quality Act (CEQA), has independently considered and reached its own conclusions regarding the environmental effects of the proposed project and the mitigated negative declaration and mitigation monitoring and reporting program (Enclosure B) adopted by the State of California (State), as lead agency, determine that the documents adequately address the environmental impacts of the proposed project, find that your Board has complied with the requirements of CEQA with respect to the process for a responsible agency, and adopt by reference the State's mitigated negative declaration and mitigation monitoring and reporting program.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

3. Approve and instruct the Chair to execute the enclosed Joint Crime Laboratory Facility Sublease Agreement between the Los Angeles Regional Crime Laboratory Facility Authority (the Authority) and the County (Enclosure C), which will provide space for the Sheriff's Department to operate forensic crime laboratory functions in the proposed Los Angeles Regional Forensic Crime Laboratory Facility to be constructed on the campus of California State University – Los Angeles.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will amend the Joint Exercise of Powers Agreement established to oversee the Regional Forensic Crime Laboratory (Crime Lab), to reflect changes in the funding and financing structure required under State legislation. Your Board's approval will also authorize the execution of a sublease with the Authority which finalizes agreements between the Authority and its sublessees (the County, City of Los Angeles, and California State University) regarding the operation and maintenance of the Crime Lab facility.

The recommended amendment and sublease are necessary to reflect the State's issuance of lease revenue bonds to finance the design and construction of the Crime Lab facility and the State's oversight of the project's delivery. The recommended sublease also provides for sharing the costs of extraordinary repairs among the sublessees over the 75-year term of sublease.

Background

In July 2001, your Board authorized the execution of a Joint Exercise of Powers Agreement (JPA) which established the Los Angeles Regional Crime Laboratory Facility Authority (Authority) to oversee the design, construction, and operation of the Crime Lab. Under the original JPA, funding for the Crime Lab's design and construction was to be provided through a State grant. The Authority maintained contracting authority and the Sheriff was designated the lead agency for the purpose of planning, design and construction of the facility, which was to be located at the Los Angeles campus of the California State University (University).

In response to budgetary issues in 2002, the State reappropriated \$92 million of the original \$96 million in Project grant funds to meet other priorities. The State, however, enacted AB 3000, Government Code Section 14669.21, which authorized the issuance of lease revenue bonds to finance the Crime Lab project.

State Financing Plan

Under the State's financing plan, the site for the Crime Lab will continue to be provided by the University through a 75-year ground lease with the State General Services Department, which will be responsible for overseeing the design and construction of the facility. The State Public Works Board will issue lease revenue bonds with a term of 30 years to finance the project. The site and facility will be leased for a coterminous term of 30 years to the

Office of Criminal Justice Planning (OCJP), which will be responsible for its operation.

The State will fund the debt service on the bonds through annual appropriations to the OCJP. The Authority will sublease the facility from the OCJP during the term of the bonds and be responsible for its operation as a regional crime laboratory. Upon final maturity of the bonds in 30 years, the State will assign the site and facility to the Authority for the remaining 45 years of the 75-year ground lease with the University. At the end of the ground lease, title to the site and facility will transfer from the Authority to the University. The Ground Lease is included as Enclosure D.

Amendment of Joint Powers Agreement

The change in the State's funding plan and the shift in responsibility for design and construction of the Crime Lab facility to the State require an amendment to the Joint Powers Agreement previously approved by your Board. The amended Agreement will reflect the State's lease financing structure and construction oversight and allow the Authority to enter into a lease agreement with the OCJP to provide for the operation and maintenance of the facility while the State's bonds are outstanding.

Your Board is authorized to enter into joint exercise of powers agreements with other public agencies pursuant to Government Code Section 6500, *et seq.* County Counsel has reviewed and approved the amended Agreement as to form.

Authority Subleases

In order to provide for the facility's operation and maintenance and to formally clarify the rights and responsibilities of the Crime Lab's tenants during, and subsequent to the term of the State's bonds, the Authority will enter into operating subleases with the County, City of Los Angeles and University. In general, the subleases ensure that the facility will be used jointly by the three parties for forensic science related functions and related criminal justice educational programs. The subleases also define:

- the subleased premises of each agency;
- ongoing operation and maintenance obligations;
- funding and use of an extraordinary repair fund;
- concurrence requirements for expansion and change in use of an agency's subleased premises;
- insurance and indemnification obligations;
- protocols for dispute resolution; and

- parameters on certain concession agreements to ensure consistency with the University's site agreements.

Under the proposed sublease with the Authority, the County covenants to maintain the use of its premises in the facility as a forensic crime laboratory. Any sublet or assignment of the County's leased premises, expansion of its area, or change in its use, will require the consent of the University and State while the State's bonds remain outstanding. The Authority may expand the facility or change its use following final redemption of the State's bonds with the concurrence of the University.

Government Code Section 14669.21 authorizes the subleasing of the Crime Lab facility to those state and local agencies that will use, operate and maintain the facility. County Counsel has reviewed and approved the sublease as to form.

Extraordinary Repair Fund

The proposed sublease with the Authority also incorporates a unique cost-sharing arrangement for extraordinary facility repairs that extend beyond routine, ongoing maintenance over the 75-year term of the ground lease. Such repairs would include significant structural repairs, replacement of building systems such as plumbing, roofing, electrical, and HVAC systems, or demolition of the facility at the end of the ground lease term.

To provide funding for these types of repairs and limit exposure for such costs to the subleasing agencies, the County, City, and University will provide annual financial contributions to an Extraordinary Repair Fund (Fund) in a pro rata amount based on square footage occupancy. The aggregate annual contribution will equal \$200,000 up to a maximum Fund level of \$5.0 million. Contributions to the Fund will cease upon attainment of the maximum amount and will resume, if the Fund is drawn upon by the Authority, until the maximum amount is again attained.

The County, City, and University may voluntarily increase their annual contribution in the event the cost of an extraordinary repair exceeds the Fund's resources, but are not obligated to do so. If a repair cost exceeds the amount available in the Fund and the County, City, and University do not agree to contribute additional funds, the Authority may vacate the facility prior to the end of the 75-year ground lease term. Under such circumstances, the University may elect to demolish the facility. The Authority has committed to funding the cost of demolition prior to or at the conclusion of the 75-year term.

The annual contribution levels to the Fund will be reviewed every five years by the County, City, and University and will be maintained or adjusted with the approval of each party. Based on its square footage occupancy, the County's annual contribution will equal \$86,000 and will commence upon completion of the facility in 2005-06.

Implementation of Strategic Plan Goals

These actions are consistent with the County Strategic Plan Goals of Workforce Excellence, Organizational Effectiveness, and Fiscal Responsibility by: 1) providing an efficient working environment that enhances work quality and productivity; 2) encouraging collaboration and resource sharing with other jurisdictions (e.g. State and City); and 3) investing in public infrastructure to improve the performance and productivity of the Sheriff's forensic science operation.

FISCAL IMPACT / FINANCING

Under the sublease with the Authority, the County will annually contribute \$86,000 to the Emergency Repair Fund commencing in 2005-06. The aggregate annual contribution from the County, City, and University will equal \$200,000 until the maximum Fund level of \$5.0 million is attained.

In order to open the facility, the Sheriff has estimated one-time costs of \$1.2 million, primarily related to equipment and laboratory systems. Given the cost-sharing approach being applied to the facility's operation, each agency's ongoing operating costs have yet to be fully determined. The Sheriff's current year operating budget appropriates \$19.1 million for its crime laboratory functions at 2020 Beverly Blvd, Los Angeles and its Downey facility. The space to be occupied by the Sheriff for its crime lab functions to be transferred to the facility will increase by approximately 140%, enabling the department to meet crime laboratory certification requirements. This significant increase in occupied space will result in higher maintenance and utility costs. The Sheriff in conjunction with the Los Angeles Police Department and the University are developing a final estimate of operational costs and will report to your Board under separate cover.

The CAO will work with the Sheriff to identify funding for the one-time and on-going cost increases related to the relocation to the new Crime Lab.

ENVIRONMENTAL DOCUMENTATION

Prior to the State's changes in the funding and financing structure of this project, the Authority had caused to be prepared an Initial Study and Mitigated Negative Declaration for the project in compliance with CEQA. The Mitigated Negative Declaration was circulated for agency and public review on September 28, 2002 in accordance with CEQA requirements. The review period ended on November 1, 2002. Numerous comments were received; however, no comments raised any significant environmental issues with respect to the project.

When the Legislature adopted AB 3000, it designated the OCJP as the lead agency for the project and the Authority as a responsible agency. Accordingly, the final Mitigated Negative Declaration was forwarded to the OCJP who adopted the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program and recorded the documents with the State Clearinghouse on December 23, 2002.

Prior to the Authority's consideration of the sublease and other agreements related to the Crime Lab project, it complied with its role as a responsible agency by independently considering and adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program adopted by the State. With respect to your Board's approval of the sublease, the County also acts as a responsible agency for the purposes of CEQA, and therefore, we recommend that your Board independently consider and adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program attached as Enclosure B.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

At this time, it cannot be determined to what extent the Sheriff's operating costs will be impacted as a result of this facility's opening. The Sheriff's staffing plans consolidate a substantial part of their forensic crime laboratory activities at the new site.

CONCLUSION

Please return one (1) approved copy of this letter and five (5) Board-executed originals of the First Amended Joint Exercise of Powers Agreement to the Chief Administrative Office for distribution. Please return to the Authority three (3) approved copies of this letter, including for each a Board-executed original Joint Crime Laboratory Facility Sublease Agreement.

In addition, instruct the Authority to forward copies of the approved letter and the executed Joint Crime Laboratory Facilities Sublease Agreement to the State of Public Works Board, Sheriff's Department, Los Angeles Police Department, California State University Los Angeles, State of California Office of Criminal Justice Planning, and State of California Department of Finance.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

LEE BACA
Sheriff

DEJ:JSE
DJT:PJB

Attachments (5)

c: Executive Officer, Board of Supervisors (22)

County Counsel
Auditor-Controller
State of California Office of Criminal Justice Planning
California State University, Los Angeles
Los Angeles Police Department

